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SENATE DEMOCRATS PUT SPENDING CUT IDEA ON TABLE—IN LETTER TO HOUSE GOP, SENATORS SAY \$20B COULD BE SAVED BY ENDING SUBSIDIES FOR OIL COMPANIES

Reid, Durbin, Schumer, Murray, Cardin, Nelson, Menendez, Brown, Whitehouse and Gillibrand Ask Republicans to Close Tax Loopholes and End Unneeded Subsidies For Oil Companies Making Record Profits

Last Week, Exxon Announced 53% Surge In Profits; Chevron's Profits Jumped 72%

Democrats: Focus On Cutting Waste And Excess, Not Programs That Create Jobs

Washington, DC—As House Republicans try to find \$32 billion in spending cuts this week, U.S. Senators Harry Reid, Dick Durbin, Charles E. Schumer, Patty Murray, Benjamin L. Cardin, Bill Nelson, Robert Menendez, Sherrod Brown, Sheldon Whitehouse and Kirsten Gillibrand reached out Tuesday with a concrete suggestion for reining in the deficit: cutting unneeded subsidies and tax breaks for oil companies that are making record profits.

In a letter to Speaker John Boehner and other House leaders, the senators said they agreed with the need to cut spending. They said ending giveaways for oil companies would save at least \$20 billion over 10 years.

“This is just one example of a wasteful item in the budget that could be cut in order to make a down payment toward reducing nation’s deficit. If the House chooses to adopt this suggestion, it would represent a good first step towards cutting spending in a bipartisan way,” the senators wrote.

Oil companies have posted record profits in recent years. Last month, Exxon reported a 53% boost in profits, making it the company’s best quarter in years. And Chevron’s fourth quarter income jumped 72%.

The House and Senate must agree by March 4 on a spending measure to continue funding the government. House Republicans have said they plan to enact major cuts below current spending levels and last week, House Budget Chairman Paul Ryan set a goal of \$32 billion below current levels. House Republicans have yet to specify which programs would be reduced in order to meet this goal, but are expected to begin doing so this week.

Senate Democrats believe we must make sure we're cutting waste and excess, not making deep cuts in the programs that are making a difference for families and businesses or helping our economy grow.

“We believe that the question before us is not whether we should do any cutting, but what exactly should be cut,” the senators wrote. “So, as you consider spending-cut ideas for the remainder of this fiscal year, we ask that you focus on cutting programs that are wasteful and inefficient, as opposed to those that help create jobs and spur economic growth.”

A copy of the letter appears below.

February 8, 2011

Dear Speaker Boehner,

As you know, Congress must act soon on a funding measure to keep the government running past this coming March 4. We understand that as soon as this week, House leaders may begin naming specific spending reductions in order to make good on your plan to reduce funding levels by \$32 billion from the current continuing resolution.

There is broad, bipartisan agreement on the need to rein in spending, make government more efficient and bring down the deficit. We believe that the question before us is not whether we should do any cutting, but what exactly should be cut. So, as you consider spending-cut ideas for the remainder of this fiscal year, we ask that you focus on cutting programs that are wasteful and inefficient, as opposed to those that help create jobs and spur economic growth.

We are concerned that some of the cuts you may propose could undermine future growth just as our economy is beginning to recover. Instead, we urge you to consider ending a number of tax loopholes and other subsidies that benefit big oil and gas companies. Closing these loopholes would save the federal government more than \$20 billion over 10 years. This is just one example of a wasteful item in the budget that could be cut in order to make a down payment toward reducing the nation's deficit. If the House chooses to adopt this suggestion, it would represent a good first step towards cutting spending in a bipartisan way.

Just last month, Exxon reported a 53% boost in profits, making it the company's best quarter in years. At the same time, Chevron's fourth quarter income jumped 72%. The fact is, oil and gas companies are doing just fine while many Americans are still struggling to find work and support their families.

The days of big oil companies making billions in record breaking profits while receiving billions in taxpayer-financed subsidies must end. It defies common sense to cut programs that are creating jobs, helping jumpstart our manufacturing sector and strengthening the middle class while protecting taxpayer-funded handouts to big oil companies that add little to our economic or energy security. During these tough economic times, closing more than \$20 billion in loopholes for big oil and gas companies would send a clear message that we can cut spending while protecting the middle class. The country faces difficult challenges, and we look forward to working together across party lines for solutions that are in the best interests of our nation

Sincerely,

Sen. Harry Reid, Majority Leader
Sen. Dick Durbin, Assistant Majority Leader

Sen. Charles Schumer, Vice Chair of the Conference and Chair of the Democratic Policy and Communications Center
Sen. Patty Murray, Secretary of the Conference
Sen. Benjamin L. Cardin
Sen. Bill Nelson
Sen. Robert Menendez
Sen. Sherrod Brown
Sen. Sheldon Whitehouse
Sen. Kirsten Gillibrand

cc: Honorable Eric Cantor, House Majority Leader
Honorable Dave Camp, Chairman, House Ways and Means Committee
Honorable Hal Rogers, Chairman, House Appropriations Committee
Honorable Paul Ryan, Chairman, House Budget Committee

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